

## REMARKS

Claims 12-17 were rejected under 35 USC § 101 because the claimed invention is directed to non-statutory subject matter. Claim 20 was rejected under 35 USC § 112, second paragraph, as having insufficient antecedent basis. Claims 1 and 18 were rejected under 35 USC § 103(a) as being unpatentable over Applicant's Admitted Prior Art (AAPA) in view of Kim et al (US Pat. No. 6,950,473) and Gonzales et al (US Pat. No. 5,001,559). Claims 2-3 and 10-11 were rejected under 35 USC § 103(a) as being unpatentable over Applicant's Admitted Prior Art (AAPA) in view of Kim et al (US Pat. No. 6,950,473) and Gonzales et al (US Pat. No. 5,001,559) and further in view of Jabbi et al (US Pat. No. 5,768,429).

Claims 4-9 and 19 were objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

The limitations of allowable claim 4 and intervening claims 2-3 have been incorporated into claim 1. The limitations of allowable claim 19 have been incorporated into base claim 18. The "current difference means" has been incorporated into base claim 18 to remove the antecedent problem with dependent claim 20. Thus the 35 USC § 112 rejection has been resolved.

Independent claim 12 has been amended to recite displaying pixels to a user:

displaying the pixels for the current block to a user on a display device;

Display of pixels to a user is a physical transformation step and a useful result of the decoding steps with a practical application that is not merely a mathematical algorithm. Display of pixels to a user is a useful, tangible and concrete result of the method claimed. Thus amended claim 12 now recites statutory subject matter. Applicant requests that claims 12-17 be allowed.

Basis in the specification for display of pixels can be found at the end of the second paragraph in the discussion for Fig. 4 (para [0019] ?):

The pixel values can be stored or displayed.

5 In view of the above, it is submitted that claims 1, 5-18, and 20, as amended, are in a position for allowance. This application was filed with formal drawings that have not been amended. Applicant believes that a full and complete response to the office action has been made. Reconsideration and re-examination is respectfully requested. Allowance of the claims at an early date is solicited.

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If the Examiner believes that a telephone interview would expedite prosecution of this application, he is invited to telephone the undersigned at (831) 476-5506.

Respectfully Submitted,

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